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Attorneys for Defendants Benjamin F. Daniels, Mark W. Schuler, Alton O. Parker, B & B Investment Group, LLC, and BW Holdings, LLC d/b/a the "FAIR Project"

IN THE UNITED STATES DISTRICT COURT DISTRICT OF UTAH, NORTHERN DIVISION

SECURITIES AND EXCHANGE COMMISSION,

Plaintiff,

v.

DIGITAL LICENSING, INC. (d/b/a "DEBT Box"), a Wyoming corporation; JASON R. ANDERSON, an individual; JACOB S. ANDERSON, an individual; SCHAD E. BRANNON, an individual; ROYDON B. NELSON, an individual; JAMES E. FRANKLIN, an individual; WESTERN OIL EXPLORATION COMPANY, INC., a Nevada corporation; RYAN BOWEN, an individual; IX GLOBAL, LLC, a Utah limited liability company; JOSEPH A. MARTINEZ, an individual; BENJAMIN F. DANIELS, an individual; MARK W. SCHULER, an individual; B & B INVESTMENT GROUP, LLC (d/b/a "CORE 1 CRYPTO"), a Utah limited liability company; TRAVIS A. FLAHERTY, an individual; ALTON O. PARKER, an individual; BW HOLDINGS, LLC (d/b/a the "FAIR PROJECT"), a Utah

DEFENDANTS BENJAMIN F.
DANIELS, MARK W. SCHULER,
ALTON O. PARKER, B&B
INVESTMENT GROUP, LLC, AND BW
HOLDINGS LLC'S JOINDER IN
DEFENDANTS IX GLOBAL, LLC,
JOSEPH A. MARTINEZ, AND TRAVIS
FLAHERTY'S RULE 12(b)(6) MOTION
TO DISMISS

Case No. 2:23-cv-00482-RJS

Chief Judge Robert J. Shelby

limited liability company; BRENDAN J. STANGIS, an individual; and MATTHEW D. FRITZSCHE, an individual,

Defendants,

ARCHER DRILLING, LLC, a Wyoming limited liability company; BUSINESS FUNDING SOLUTIONS, LLC, a Utah limited liability company; BLOX LENDING, LLC, a Utah limited liability company; CALMFRITZ HOLDING, LLC, a Utah limited liability company; CALMES & CO, INC., a Utah corporation; FLAHERTY ENTERPRISES, LLC, an Arizona limited liability company; IX VENTURES FZCO, a United Arab Emirates company; PURDY OIL, LLC, a Nebraska limited liability company; THE GOLD COLLECTIVE LLC, a Utah limited liability company; and UIU HOLDINGS, LLC, a Delaware limited liability company,

Relief Defendants.

Pursuant to Rule 12(b)(6) of the Federal Rules of Civil Procedure and DUCivR 7-1(a)(7), Defendants Benjamin F. Daniels, Mark W. Schuler, Alton O. Parker, B&B Investment Group, LLC, and BW Holdings, LLC (collectively, the "FAIR Project Defendants") hereby join in Defendants IX Global, LLC, Joseph A. Martinez, and Travis Flaherty's (the "iX Global Defendants") Rule 12(b)(6) Motion to Dismiss (the "Motion to Dismiss")¹ and respectfully request that the Court dismiss the Complaint filed by Plaintiff Securities and Exchange Commission for failure to state a claim upon which relief can be granted for the reasons stated therein and for the additional reasons provided herein.

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¹ See Doc. 182.

I. ARGUMENT

The FAIR Project Defendants hereby join in the Motion to Dismiss and incorporate by reference all arguments made therein. The FAIR Project Defendants also make the following additional arguments:

In the Motion to Dismiss, the iX Global Defendants argue that the sale of node software licenses by DEBT Box does not create an investment contract or any other legally enforceable post-sale obligation that turns the asset sale into a securities transaction and, therefore, the node software licenses are **not** securities.² These same arguments and analysis apply to the node software licenses sold by the FAIR Project Defendants, which utilize the same technology as the node software licenses sold by DEBT Box.³ As such, the FAIR Project Defendants hereby incorporate by reference the arguments made in the Motion to Dismiss and respectfully request that the Court dismiss the claims asserted against the FAIR Project Defendants related to the node software licenses sold through the FAIR Project because these transactions did not involve the sale of any security.

II. CONCLUSION

For all the reasons stated above, and for all the reasons stated in the Motion to Dismiss, the Court should dismiss the Complaint with prejudice.

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² See Doc. 182, at pp. 7-16.

³ In the Complaint, the Commission has pled that the node software licenses sold by the FAIR Project "differ[] from DEBT Box only in name." *See* Complaint, Doc. 1, at ₱ 5; *see also id.* at ₱ 28 ("Similar to the DEBT Box scheme, the FAIR Project offers investors node software licenses which purportedly 'mine' crypto assets."); *id.* at ₱ 58 ("In addition, as of June 2023, Jason and Jake Anderson have purportedly partnered with Schuler, Daniels, and Parker to promote a new node licensing venture similar to DEBT Box called the FAIR Project.").

DATED this 13th day of October 2023.

CLYDE SNOW & SESSIONS

/s/ Keith M. Woodwell

Keith M. Woodwell Thomas A. Brady Katherine E. Pepin

Attorneys for Defendants Benjamin F. Daniels, Mark W. Schuler, Alton O. Parker, B & B Investment Group, LLC, and BW Holdings, LLC d/b/a the "FAIR Project"

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CERTIFICATE OF SERVICE

I certify that on the 13th day of October 2023, I caused a true and correct copy of the foregoing document to be sent to all attorneys of record via the court's e-filing system.

| CLYDE SNOW & SESSIONS | |
|-----------------------|--|
| /s/ Kelcie Kinsley | |

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